

**CITY PROPOSAL # 1 and 2 – TERM OF AGREEMENT, WAGES AND SPECIAL PAY, AND AGREEMENT CONDITIONS**

*The City recognizes the significant sacrifices made by City employees in the form of a 10% total compensation reduction and other concessions.*

*For Fiscal Year 2013-2014, the City is projecting a small General Fund shortfall. However, built into the 2014-2018 General Fund Forecast for 2013-2014 is a small set-aside for salary adjustments in the form of an Employee Compensation Planning Reserve (\$11.1 million). As discussed in this Forecast, although this Reserve causes the General Fund budget position to be slightly negative, the Administration believes that budget balancing solutions can be identified to close the 2013-2014 shortfall without reducing or eliminating General Fund services to our community. The primary reason the City was able to factor in the Employee Compensation Planning Reserve is that some elements of the Fiscal Reform Plan (approximately \$20 million in General Fund savings) have been implemented and included as part of the development of the City's 2013-2014 budget. Without these savings, the City would not be able to include this Reserve and, rather, would most likely have to reduce or eliminate services and eliminate positions. In the event all or part of these Fiscal Reform savings contained in the Fiscal Year 2013-2014 budget are not realized, the City will no longer have identified funding available to continue the increases proposed herein.*

*As of February 2013, for Fiscal Year 2014-2015, the City is projecting a \$13.7 million General Fund shortfall and there is currently no ongoing funding identified to solve this shortfall. The City would like to again provide compensation increases during this Fiscal Year. However, it will be important that some additional implementation of the Fiscal Reform Plan occur in order to provide funding for the compensation increases proposed herein. If the 4% additional retirement contributions contained in the City Charter is implemented, it is estimated that these savings will offset a majority of the February 2013 projected 2014-2015 General Fund shortfall of \$13.7 million and allow the City to provide compensation increases.*

City Proposed Language:

**TERM OF AGREEMENT**

This Agreement shall become effective July 1, 2013, except where otherwise provided, and shall remain in effect through June 30, 2015. No amendment or change to the provisions of this Agreement shall be valid or binding unless reduced in writing and signed by duly authorized representative(s) of the parties.

This contract expires on June 30, 2015. It is mutually agreed that the first meeting of the parties will be held no later than fifteen (15) calendar days after the City or Union receives notice from the other, which may be any date after January 1 of the year in which the current contract terminates.

**WAGES AND SPECIAL PAY**

Effective July 7, 2013, the top of the salary range for employees represented by AMSP/CAMP will be increased by approximately 2.5%. All employees who are at the top of the salary range on July 6, 2013, will receive an increase of approximately 2.5% effective July 7, 2013.

The funding for this increase has been built into the Fiscal Year 2013-2014 Budget and is predicated on savings achieved in the implementation of the Fiscal Reform Plan, at an

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approximate \$20 million in General Fund savings. In the event all or part of these savings are not realized through the term of this agreement, the 2.5% increase at the top range of the salary will be rolled back prospectively effective the payperiod upon notice that the savings will not be realized. The roll back will not be retroactive.

Effective July 6, 2014, or the payperiod the 4% additional retirement contribution or pay reduction is implemented per the City Charter, whichever occurs later, the top of the salary range for employees represented by AMSP/CAMP will be increased by approximately 2.5%. All employees who are at the top of the salary range on July 5, 2014, will receive an increase of approximately 2.5% effective July 6, 2014, or the same payperiod the 4% additional retirement contribution or pay reduction is implemented per the City Charter, whichever occurs later.

### AGREEMENT CONDITIONS

- Notwithstanding any other provision of this Agreement, the parties agree to continue to meet and confer over retiree healthcare benefits and funding upon request of either party. This may include but is not limited to alternatives to reduce the cost of retiree healthcare benefits and options for current employees that comply with IRS regulations. The City and AMSP/CAMP shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply.
- Notwithstanding any other provision of this Agreement, the parties agree to meet and confer over retirement benefits upon request of either party in the event that the pension modification ballot measure, also known as Measure B, in part or in whole, is declared invalid or otherwise modified or changed by any court of competent jurisdiction or any other administrative process, or by any applicable State or Federal law or regulation.

Negotiations between the City and AMSP/CAMP shall commence within 14 days upon notice from either party that any action referenced in the previous paragraph has occurred. The City and AMSP/CAMP shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply.

- Notwithstanding any other provision of this Agreement, the parties agree to meet and confer over active healthcare benefits upon request of either party.

Negotiations between the City and AMSP/CAMP shall commence within 14 days upon notice from either party that any action referenced in the previous paragraph has occurred. The City and AMSP/CAMP shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply.